

# **FY 2014 Classification Hearing**

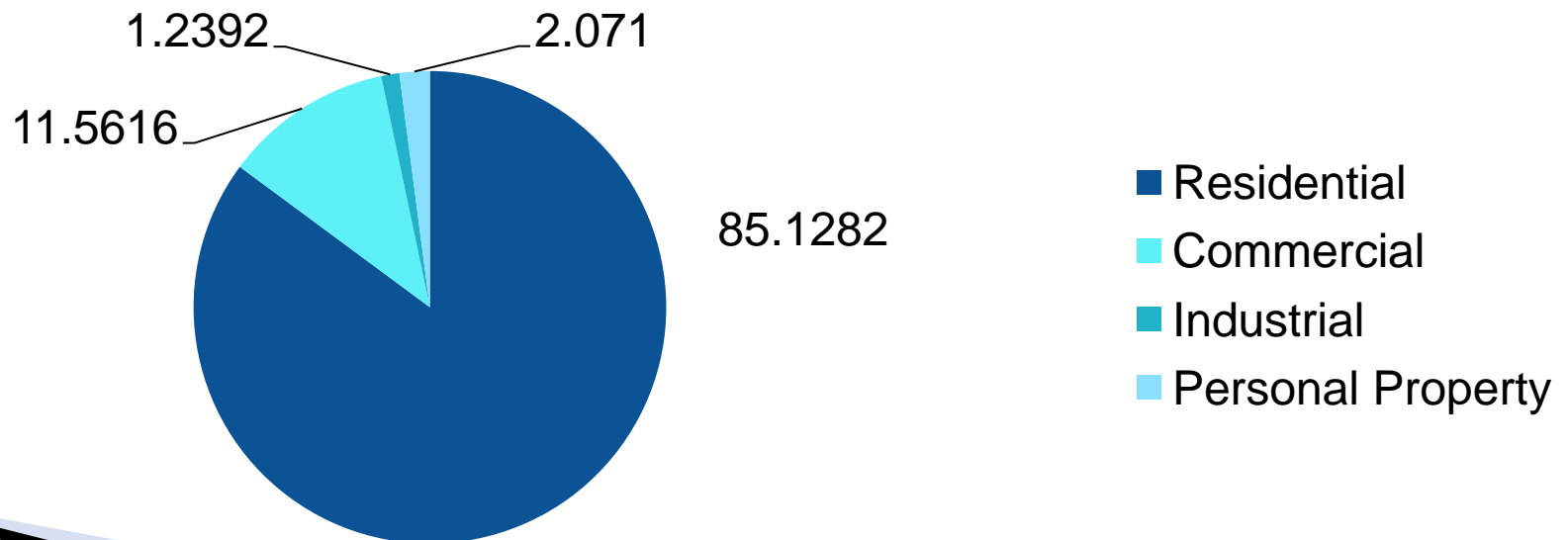
November 4, 2013

# Town Budget Process:

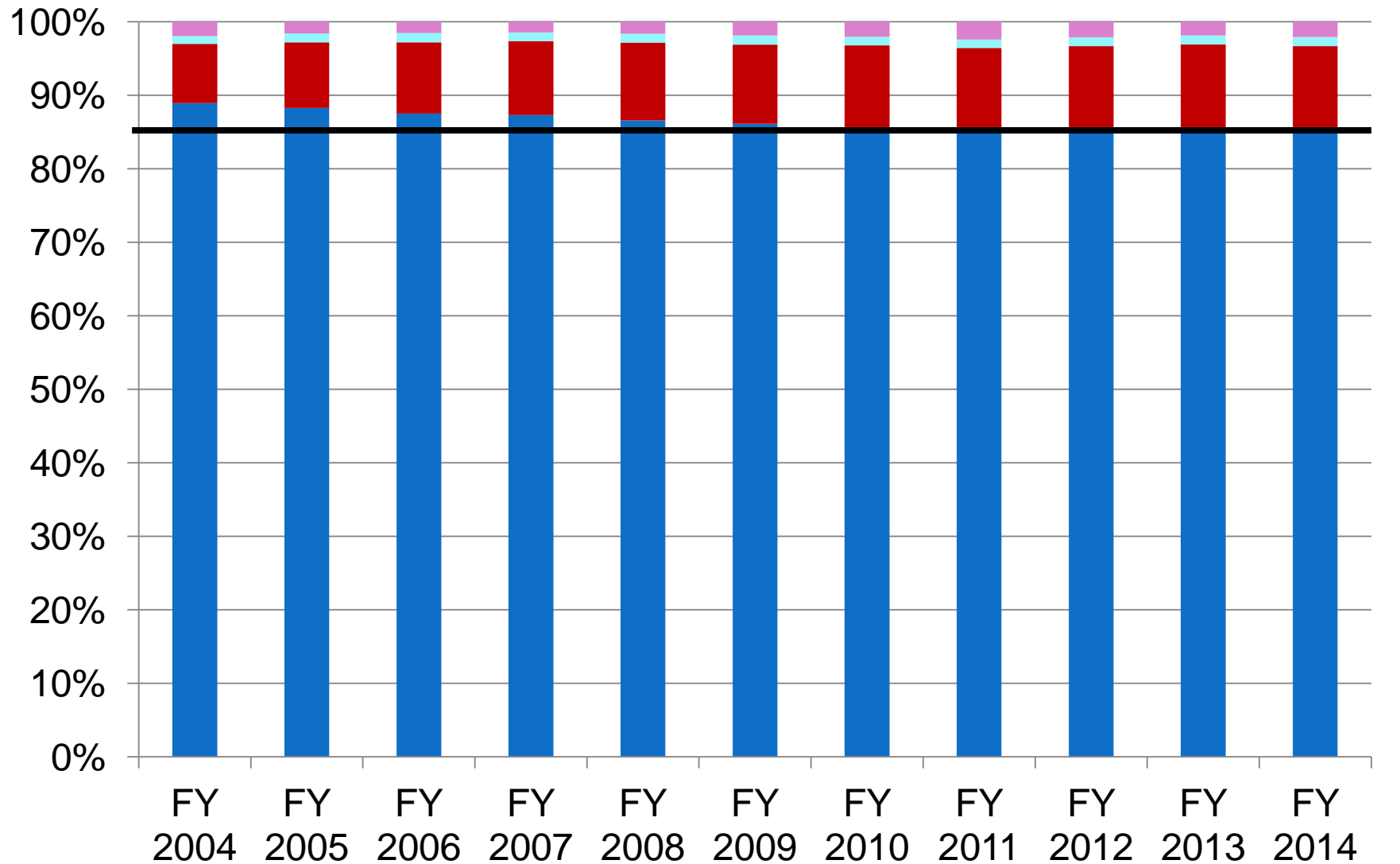
- ▶ Every year, those present at our Annual Town Meeting vote to approve the upcoming budget figures.
- ▶ The money to fund the budget comes from Local Receipts (permits, fees, etc), State Aid, Other Revenues (free cash, stabilization, etc), and the Levy.
- ▶ The Levy refers to the amount of money a community can raise through Real Estate and Personal Property Taxes.

# Classification:

- ▶ The Board of Selectmen hold a Classification Hearing each year to determine if the Levy gets divided evenly via a single tax rate, or if the tax burden gets shifted between the classes.
- ▶ Here are the current class percentages:



# Historical class percentages



Personal Property Industrial Commercial Residential

# LA-7 Shift

- ▶ Should the Selectmen choose to shift some of the burden to the CIP (commercial, industrial, personal property), the shift may not be more than 150% of the original burden.
- ▶ Given this restriction, our minimum residential share (with max shift) is 77.6924 and our maximum CIP share (with max shift) is 22.3076.

At the original limit, the share of the levy to be raised by each class would be as follows:

	<b>Original % of share</b>	<b>Original Levy Share</b>	<b>Single Tax Rate</b>
Residential	85.1282	24,228,552	17.20
CIP	14.8718	4,232,687	17.20

At the maximum allowable limit, the share of the levy to be raised by each class is as follows:

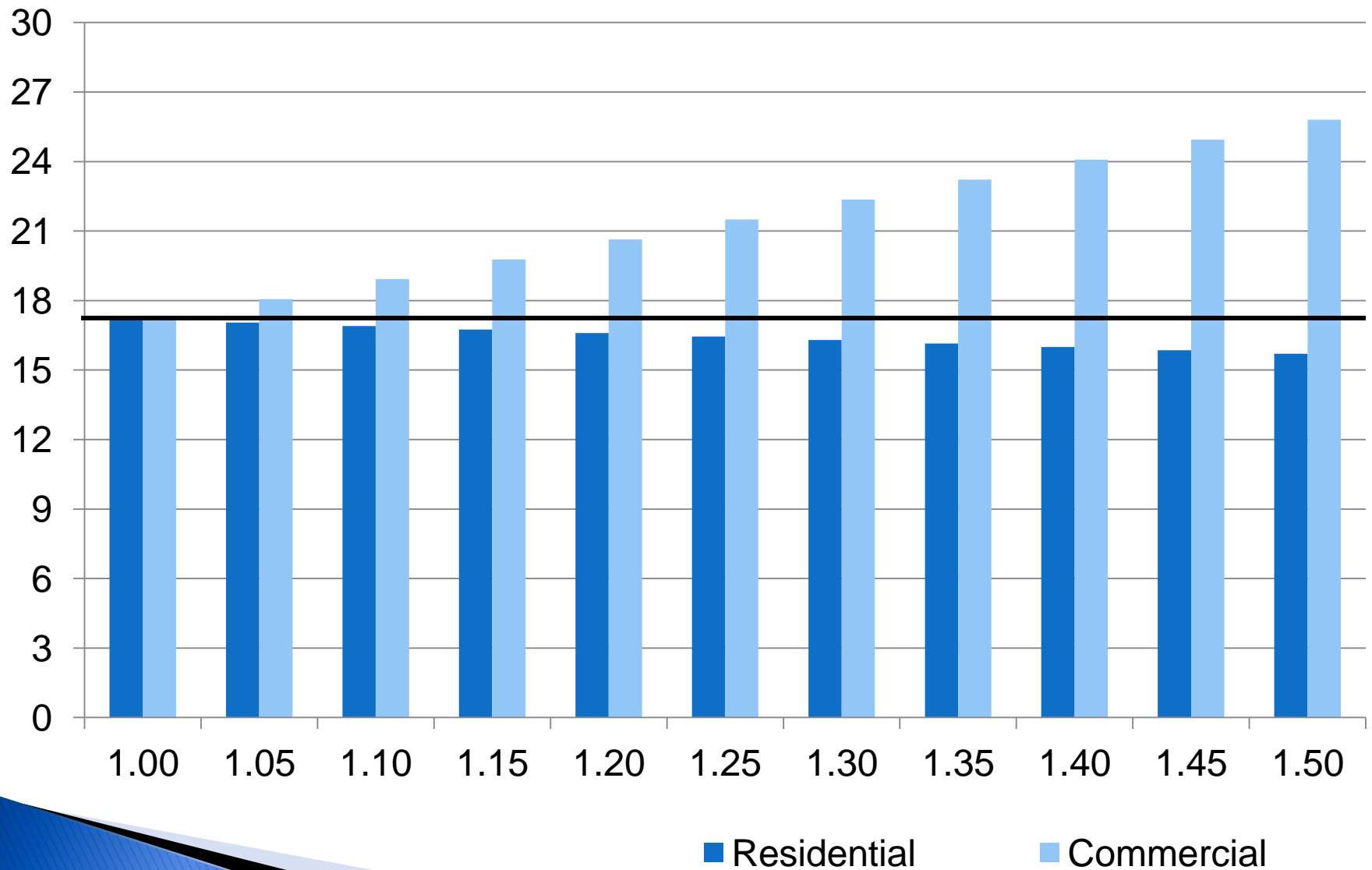
	<b>Max Shift Share %</b>	<b>Max Shift Levy Share</b>	<b>Max Split Rates</b>
Residential	77.6924	22,112,208	15.70
CIP	22.3076	6,349,031	25.80

# Impact of Tax Shifts

Shift	Res Tax	Res Rate	Res Savings	Res % Change	Comm Tax	Comm Rate	Comm Incr	Comm % Change
1.00	4,835.69	17.20			14,568.85	17.20		
1.05	4,793.52	17.05	-42.17	-0.87%	15,297.29	18.06	728.44	5.00%
1.10	4,751.35	16.90	-84.34	-1.74%	16,025.73	18.92	1,456.88	10.00%
1.15	4,709.18	16.75	-126.52	-2.62%	16,754.17	19.78	2,185.33	15.00%
1.20	4,667.01	16.60	-168.69	-3.49%	17,482.62	20.64	2,913.77	20.00%
1.25	4,624.84	16.45	-210.86	-4.36%	18,211.06	21.50	3,642.21	25.00%
1.30	4,582.66	16.30	-253.03	-5.23%	18,939.50	22.36	4,370.65	30.00%
1.35	4,540.49	16.15	-295.20	-6.10%	19,667.94	23.22	5,099.10	35.00%
1.40	4,498.32	16.00	-337.37	-6.98%	20,396.39	24.08	5,827.54	40.00%
1.45	4,456.15	15.85	-379.55	-7.85%	21,124.83	24.94	6,555.98	45.00%
1.50	4,413.98	15.70	-421.72	-8.72%	21,853.27	25.80	7,284.42	50.00%

As you can see, the highest shift would result in commercial paying 50% more in taxes, while residential parcels would save just under 9%.

# Impact of a Split Rate



# In Closing,

- ▶ The Board of Assessors unanimously voted to recommend a single tax rate.